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DOMINION BUREAU OF STATISTICS

Research and Development Division

OTTAWA

DOMINION BUREAU
OF STATISTICS

FEB 12 1954

Published by Authority of the Rt. Hon. C. D. Howe, Minister of Trade and Commerce

Historical File Copy

Vol. 32 No. 1

\$1.00 per Year

COMMERCIAL FAILURESUNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTSFIRST QUARTER, 1953

During the first quarter of 1953, the number of failures under the provisions of the Bankruptcy and Winding Up Acts was 382, compared with 470 during the same period last year. This represented a decline of 19 per cent and was the first reversal of the upward trend in first quarter comparisons since 1946. Estimated liabilities involved amounted to \$7,151 thousand compared with \$7,285 thousand in the first quarter of 1952.

Owing to changes in the administration of bankruptcies as introduced by the Bankruptcy Act of 1949, the data since July, 1950 are not comparable with preceding periods. In the third part of the Act, provision is made for proposals from insolvent persons. Agreements made under this method are not normally included with the statistics of bankruptcies, but when such proposals are rejected by the creditors or fail in their purpose, the proceedings may then come under the Bankruptcy Act. In table 6 of this report, the number of proposals is shown so as to give a general impression of the trend.

Failures by Industries

The number of bankruptcies in all recorded industrial classifications except mining showed a decline in the first quarter, compared with the corresponding period last year. Failures in the trade sector, where the greatest number of business mortalities usually occurs, totalled 146 compared with 186 in the first quarter of 1952. Bankruptcies of manufacturing establishments declined from 91 to 85, and service insolvencies dropped from 86 to 60. Failures in the construction field numbered 25 compared with 33 last year.

Failures by Economic Areas

The number of bankruptcies in the Province of Quebec declined 20 per cent in the first quarter comparison, from 357 in 1952 to 287 this year. Failures in Ontario totalled 49 against 69 in the first three months last year. In the Atlantic Provinces, insolvencies declined from 16 to 8 in the same comparison. By contrast, failures in the four Western Provinces rose from 28 to 38 in the first quarter.

Insolvency

It must be emphasized that insolvencies can occur through other means than the Bankruptcy and Winding Up Acts. Relevant legislation includes the Farmers' Creditors' Arrangement Act, the Companies' Creditors' Arrangement Act and various provincial Bulk Sales Acts. Statistics in this report relate to the Bankruptcy and Winding Up Acts only.

Prepared in the Business Statistics Section

2103-502

15-6-53

TABLE 1 - COMMERCIAL FAILURES BY MONTHS AND BRANCHES OF BUSINESS, 1952 and 1953

Total						Manufactures				
	Number	Liabilities in Thousand Dollars	Agri- cul- ture	Logging Fishing Trapping	Min- ing	Total	Vege- table Foods	Fur and Leather	Lumber & Manu- factures	
1949 ^x	1,066	21,356	8	10	10	232	31	34	46	
1950 ^x	1,303	24,872	24	7	5	257	38	33	36	
1951 ^x	1,399	25,912	20	8	8	269	35	31	41	
1952 ^x	1,509	29,658	42	2	7	305	31	24	37	
1952										
Jan. . .	154	2,455	6	-	2	30	4	2	6	
Feb. . .	158	2,767	5	-	1	30	3	4	4	
Mar. . .	158	2,063	3	-	-	31	2	5	2	
Apr. . .	127	2,266	2	-	1	26	3	2	4	
May . .	162	3,737	4	-	2	33	4	4	2	
June . .	105	2,381	3	-	-	24	4	1	3	
July . .	91	1,903	2	2	-	16	1	-	2	
Aug. . .	109	2,138	3	-	-	23	2	-	5	
Sept. . .	100	2,721	3	-	-	23	2	2	1	
Oct. . .	126	2,452	4	-	-	25	3	3	2	
Nov. . .	111	2,202	4	-	-	22	1	-	2	
Dec. . .	108	2,573	3	-	1	22	2	1	4	
1953										
Jan. . .	125	2,677	4	1	-	25	5	2	1	
Feb. . .	117	2,026	3	1	-	30	4	1	6	
Mar. . .	140	2,448	2	1	-	30	4	2	4	
Manufactures Construction Transportation Trade General Stores Grocery Stores Clothing Stores Finance Service Classified										
1949 ^x	15	94	46	374	45	47	40	19	203	70
1950 ^x	12	97	40	502	45	60	67	20	273	78
1951 ^x	16	126	42	570	56	65	75	27	255	74
1952 ^x	17	114	45	569	53	56	66	32	279	114
1952										
Jan. . . .	1	12	6	60	4	6	5	3	26	9
Feb. . . .	1	9	5	60	5	5	6	5	34	9
Mar. . . .	-	12	4	66	5	7	8	4	26	12
Apr. . . .	3	11	3	46	6	4	3	2	23	13
May	4	14	4	61	6	4	8	4	25	15
June	2	7	2	45	3	7	5	4	16	4
July	1	6	2	37	3	3	5	1	19	6
Aug.	2	9	4	34	3	4	3	3	21	12
Sept. . . .	-	6	3	39	4	5	6	1	20	5
Oct.	2	11	4	43	5	2	5	2	26	11
Nov.	-	8	5	39	5	3	7	2	23	8
Dec.	1	9	3	39	4	6	5	1	20	10
1953										
Jan.	2	7	3	55	6	9	3	1	19	10
Feb.	2	10	6	40	4	5	5	2	15	10
Mar.	1	8	5	51	6	4	6	4	26	13

Note: As of July, 1950, proposals are not included
x Annual totals

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS
FOR THE FIRST QUARTER 1953, WITH COMPARISONS

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for First Quarter		
						1953	1952	1951
TRADE								
General Stores	3	9	2	2	-	16	14	15
Grocery	-	13	5	-	-	18	18	16
Confectionery	-	6	2	-	-	8	9	13
Drink and Tobacco	-	5	1	-	-	6	6	3
Fish and Meat	-	8	1	-	1	10	11	11
Boots and Shoes	-	2	1	-	-	3	7	6
Dry Goods	-	9	-	-	-	9	8	6
Clothing	1	7	3	1	2	14	19	28
Furniture	-	5	2	1	-	8	6	11
Books and Stationery .	-	2	-	-	-	2	5	6
Automobile	-	4	1	1	-	6	13	5
Hardware	-	1	1	-	-	2	7	7
Electric Apparatus ...	-	2	1	-	-	3	14	8
Jewelry	-	5	1	-	2	8	8	7
Coal and Wood	-	2	-	-	-	2	8	4
Drugs and Chemicals ..	-	5	-	-	-	5	10	2
Miscellaneous	1	16	5	1	3	26	23	20
Total Trade	5	101	26	6	8	146	186	168
MANUFACTURES								
Vegetable Foods	1	8	4	-	-	13	9	11
Drink and Tobacco	-	-	-	-	-	-	-	1
Animal Foods	-	6	-	-	-	6	8	6
Fur and Leather	-	4	1	-	-	5	11	12
Pulp and Paper	-	2	-	-	-	2	3	6
Textiles	-	10	1	-	-	11	8	13
Clothing	-	12	3	2	-	17	12	8
Lumber and Manufactures	1	7	2	-	1	11	12	11
Iron and Steel	-	4	-	1	-	5	2	4
Non-ferrous Metals ...	-	1	-	-	-	1	3	1
Non-metallic Minerals .	-	1	-	-	-	1	2	-
Drugs and Chemicals ..	-	1	-	-	-	1	3	-
Miscellaneous	-	11	-	1	-	12	18	6
Total Manufactures	2	67	11	4	1	85	91	79
SERVICE								
Garage	-	9	2	-	1	12	16	14
Other custom and repair	-	9	-	-	1	10	14	9
Personal Service	-	10	-	-	1	11	19	10
Restaurants	-	8	-	1	1	10	15	20
Professional Service .	-	8	-	-	-	8	8	11
Recreational Service .	-	5	-	-	-	5	6	1
Business Service	-	4	-	-	-	4	8	12
Total Service	-	53	2	1	4	60	86	77

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS FOR THE FIRST QUARTER, 1953, WITH COMPARISONS - Concluded

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for First Quarter		
						1953	1952 ^x	1951
OTHER								
Agriculture	-	8	1	-	-	9	14	3
Logging, Fish & Trapping	-	-	-	-	-	-	-	3
Mining	-	-	-	-	3	3	3	3
Construction	-	17	5	1	2	25	33	39
Transportation and Public Utilities	-	11	1	-	2	14	15	10
Finance	-	6	-	1	-	7	12	6
Not Classified	1	24	3	4	1	33	30	14
Total Other	1	66	10	6	8	91	107	78
GRAND TOTAL	8	287	49	17	21	382	470	402

TABLE 3. WAGE-EARNER FAILURES, FIRST QUARTER, 1953, WITH COMPARISON^x

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total First Quarter		
						1953	1952 ^x	1951
Trade	-	11	1	-	-	12	15	8
Manufactures	-	8	-	-	-	8	5	4
Service	-	15	1	-	-	16	17	20
Other	-	10	-	-	-	10	14	10
Total	-	44	2	-	-	46	51	42

^x Data included in Tables 1, 2, 4, and 5.

TABLE 4. COMMERCIAL FAILURES BY PROVINCES, FIRST QUARTER, 1953, WITH COMPARISONS

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
January	-	-	2	-	96	18	1	1	1	6	125
February	1	-	1	1	88	19	1	1	-	5	117
March	2	-	1	-	103	12	2	2	8	10	140
First Quarter 1953	3	-	4	1	287	49	4	4	9	21	382
1952 ^x	3	-	9	4	357	69	5	2	2	19	470
1951	2	-	5	6	299	62	9	1	3	15	402

TABLE 5. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED ASSETS AND LIABILITIES, FIRST QUARTER OF 1953, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets \$	Estimated Grand Total Liabilities \$
Newfoundland	3	20,596	32,718
Prince Edward Island	-	-	-
Nova Scotia	4	611,513	1,062,047
New Brunswick	1	3,090	13,372
Quebec	287	2,570,579	3,532,326
Ontario	49	1,022,907	1,458,578
Manitoba	4	45,773	63,837
Saskatchewan	4	84,540	89,743
Alberta	9	252,216	408,722
British Columbia	21	306,116	489,619
Comparative Total for the			
First Quarter - 1953 ...	382	4,917,330	7,150,962
1952 ...	470	4,783,147	7,285,001
1951 ...	402	4,269,893	6,688,412
1950 ...	382	4,040,543	6,307,156
1949 ...	270	2,659,506	4,195,655
1948 ...	203	1,446,319	3,405,855
1947 ...	120	954,602	1,431,807
1944 ...	94	535,644	1,185,693
1939 ...	371	2,614,428	3,592,118
1932 ...	667	12,971,869	11,110,423
1929 ...	646	8,076,661	13,143,000

TABLE 6. PROPOSALS AS PER BANKRUPTCY ACT, PART 3.

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
<u>1952</u>											
January	-	-	-	-	13	1	-	-	-	-	14
February ...	-	-	-	-	25	2	-	-	-	-	27
March	-	-	-	-	22	2	-	-	-	-	24
April	-	-	-	-	11	3	-	-	-	-	14
May	-	-	-	1	15	2	-	-	-	-	18
June	-	-	-	-	8	1	-	-	-	1	10
July	-	-	-	-	8	1	-	-	-	-	9
August	-	-	-	-	19	1	-	-	-	-	20
September ..	-	-	-	-	15	1	-	-	-	1	17
October	-	-	-	-	15	-	-	-	-	1	16
November ...	-	-	-	-	11	1	-	-	-	-	12
December ...	-	-	-	-	10	-	-	-	-	-	10
<u>1953</u>											
January	-	-	-	-	20	1	-	-	-	-	21
February ...	-	-	-	-	17	1	-	-	-	-	18
March	-	-	-	-	12	-	-	-	-	-	12

COMMERCIAL FAILURES

